

OVERSIGHT PLAN OF THE COMMITTEE ON FINANCIAL  
SERVICES FOR THE ONE HUNDRED TENTH CONGRESS

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FEBRUARY 13, 2007. Approved by the Committee on Financial Services  
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Mr. FRANK, from the Committee on Financial Services, submitted  
to the Committee on Oversight and Government Reform and the  
Committee on House Administration the following

R E P O R T

Clause 2(d)(1) of rule X of the Rules of the House of Representatives for the 110th Congress requires each standing committee, not later than February 15 of the first session to adopt an oversight plan for the 110th Congress. The oversight plan must be submitted simultaneously to the Committee on Oversight and Government Reform and the Committee on House Administration.

The following agenda constitutes the oversight plan of the Committee on Financial Services for the 110th Congress. It includes areas in which the Committee and its subcommittees expect to conduct oversight during this Congress, but does not preclude oversight or investigation of additional matters or programs as they arise. Any areas mentioned in the oversight plan may be considered by the Financial Services Committee, the four subcommittees of jurisdiction or the Subcommittee on Oversight and Investigations. The Committee will consult, as appropriate, with other committees of the House that may share jurisdiction on any of the subjects listed below.

## FINANCIAL INSTITUTIONS

*Industrial Loan Companies.* The Committee will continue to review the growth in the number of industrial loan companies, the impact of this growth on the historic separation between banking and commerce. Legislation is necessary in this area.

*Implementation of FACT Act.* The Committee will monitor government and private sector implementation of the Fair and Accurate Credit Transactions (FACT) Act (Public Law 108-159), the 2003 legislation that renewed certain key provisions of the Fair Credit Reporting Act (FCRA) and gave consumers important new rights and protections against identity theft, including the ability to obtain free credit reports annually. The Committee may examine whether, after the FACT Act is implemented, there remain barriers for consumers in maintaining accurate and complete consumer reporting files. The Committee will seek to determine if additional efforts need to be undertaken to promote voluntary reporting of data not currently being supplied to credit reporting agencies, to facilitate greater access to affordable financial products and services.

*Consumer Protections.* In addition to issues addressed throughout this oversight plan that relate to consumers of financial services, the Committee will consider other specific consumer protection issues within its jurisdictional purview, including, but not limited to, regulatory voids created by agency interpretations of the application or enforcement of State law over national banks, Federal thrifts and their affiliates or subsidiaries, marketing tactics, rising fees, and penalties on credit card, payday, mortgages and other consumer loans, unfair or deceptive acts or practices, the use of credit reports to change the rates and terms of pre-existing accounts, to ensure that the financial services industry fulfills its responsibility to treat its customers fairly and fully disclose the terms on which financial products and services are offered to the public. The Committee will also consider industry practices with respect to overdraft protection programs, deposit hold periods, and other fees.

*Provision of Credit to Military Personnel.* The Committee will monitor the implementation of Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Pub. L. 109-364, Section 670, "Limitations on Terms of Consumer Credit Extended to Service members and Dependents." The Department of Defense is currently drafting the implementing regulations for this law, and the

Committee will carefully review the impact that short-term unsecured loans are having on the financial well-being of servicemembers, their families, and the overall readiness of the armed services. The Committee will also examine the potential impact that the law will have on financial institutions and on the availability and affordability of credit for military personnel.

*Data Security and Identity Theft.* Building on the Committee's long-standing role in developing laws governing companies' handling of sensitive personal financial information about consumers (including the Gramm-Leach-Bliley Act and the FACT Act), the Committee will continue to seek legislation that better protects the security and confidentiality of such information from any loss, unauthorized access, or misuse. The Committee will analyze whether a national uniform data security standard which preempts State laws would better protect consumers, decrease costs, reduce regulatory conflict, and minimize frivolous lawsuits. The Committee will also review the appropriate standard for providing notices of data breaches to the affected consumers. Finally, the Committee will examine the extent to which State "file freeze" laws have been successful in protecting individuals from identity theft.

*Data Security for Government Agencies.* The Committee will examine major data security breaches at government agencies to ensure that personal financial information is properly safeguarded and that the affected individuals receive prompt notification where that is appropriate.

*Mortgage Lending.* The Committee will study the complex problem of, and potential solutions to, abusive and deceptive lending in the mortgage industry, particularly among those households with imperfect credit. The Committee recognizes that extending credit to underserved segments of the population has positive aspects and the Committee's effort will be to decrease the amount of abuses without undermining such access to credit. In targeting abusive practices, the Committee will be cognizant of the need to avoid policy prescriptions that result in shutting off credit to underserved borrowers. The 2005 Home Mortgage Disclosure Act (HMDA) data, like the 2004 HMDA data, continued to show substantial disparities in the incidence of higher-priced lending across racial and ethnic lines, with Black and Hispanic borrowers more likely to obtain loans with prices above the pricing thresholds than non-Hispanic white borrowers. The Committee will continue to examine HMDA data to help assess patterns of home mortgage lending to minority populations while recognizing the inherent limitations of any set of data. The Committee will extend its inquiry to examine all relevant factors.

*Diversity in the Financial Services Industry.* The Committee will continue to explore the financial services industry's efforts to attract and maintain a diverse workforce, and its efforts to enhance access to capital for minority- and women-owned firms.

*Diversity within the Federal Financial Services Agencies.* The Committee will examine the level of racial, ethnic and gender diversity at senior management levels within the Federal financial services agencies. The Committee will also examine the policies, programs and initiatives used by these agencies to obtain and retain racial, ethnic and gender diversity among their senior managers and officers.

*Payments System Innovations.* The Committee will review government and private sector efforts to achieve greater innovations and efficiencies in the payments system. The Committee will continue to monitor the implementation and impact of the Check Clearing for the 21<sup>st</sup> Century (Check 21) Act (Public Law 108-100). As part of this effort, the Committee will review the pending Federal Reserve study on the effects of the adoption of the Check 21 Act on the financial services industry, including the appropriateness of the current maximum hold periods and amount limits provided under the Electronic Funds Availability Act, and the GAO report evaluating the implementation and administration of the Check 21 Act. The Committee will also review improvements to the payments system, including ACH debit entries, wire transfers, and international remittances.

*Basel Capital Accord.* The Committee will continue to review changes to the Basel Capital Accord, which seeks to establish an international minimum standard for assessing regulatory capital cushions held by commercial banks, and monitor its implementation in the United States. The Accord seeks to determine the level of capital financial institutions must hold against various assets. The Committee will examine the need for the recommended changes and will address whether the proposed new capital charges will (1) result in a more safe and sound banking system; (2) have a discriminatory effect on any class of U.S. financial institutions; (3) create unnecessarily burdensome regulatory requirements; or (4) result in other unintended consequences. The Committee will also assess whether adequate arrangements have been made for the allocation of responsibilities among home and host regulators for reviewing and setting regulatory capital requirements within a banking organization. The Committee will continue to consider whether legislation is needed on the topic.

*Implementation of the USA PATRIOT Act.* The Committee will monitor the government's efforts to combat terrorist financing, including its enforcement of Title III of the USA PATRIOT Act (Public Law 107-56) and its implementation of the counter-terrorist financing provisions

included in the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-796).

*Money Laundering and the Financing of Terrorism.* The Committee will review enforcement of anti-money laundering laws and regulations, including but not limited to those enacted or implemented as part of the USA PATRIOT Act. The Committee's work in this area will include an examination of (1) the costs and benefits of ongoing regulatory and filing requirements, and (2) opportunities to decrease the burden of complying with these and similar statutes without impairing the operations of law enforcement. This review will include an examination of the administration's annual National Money Laundering Strategy. The Committee will also monitor the Office of Terrorism and Financial Intelligence, to ensure that adequate resources are applied efficiently, and in particular will monitor the effectiveness of the Financial Crimes Enforcement Network (FinCEN) and ongoing changes at the Office of Foreign Assets Control (OFAC), including adequate allocation of assets at OFAC to develop suitable, modern computer systems that allow it to do its job effectively. The Committee will also monitor the data mining and examination of personal financial information conducted by government agencies, to ensure that an appropriate balance is struck between law enforcement priorities and the protection of civil liberties.

*Money Service Businesses' Access to Financial Institution Services.* The Committee will examine why financial institutions continue to sever their relationships with Money Services Businesses (MSBs) and assess the effectiveness of FinCEN regulatory guidance to both MSBs and financial institutions, and review actions that regulators can take to ensure that such MSBs are not denied access to the banking system.

*Financial Supervision.* The Committee will require Federal regulators to provide periodic updates on their safety and soundness supervision of the banking, thrift and credit union industries, to ensure that systemic risks or other structural weaknesses in the financial sector are identified and addressed promptly. The trend toward consolidation in the banking industry and the growing number of large credit unions serving broad fields of membership requires that Federal regulators maintain the expertise and risk evaluation systems necessary to oversee the activities of the increasingly complex institutions under their supervision. The Committee will also seek updates on consumer compliance supervision of financial institutions and review the regulatory enforcement of the Community Reinvestment Act, consumer protections, and agency customer service. The Committee may examine regulatory restrictions that prohibit the collection and public dissemi-

nation of racial and gender data of small business loans. The Committee will review the adequacy of the current reporting requirements under the Home Mortgage Disclosure Act. In October 2006, the Government Accountability Office (GAO) issued a report, "MINORITY BANKS: Regulators Need to Better Assess Effectiveness of Support Efforts," at the request of a number of Democratic members of the Committee. The Committee will continue to monitor the Federal financial agencies' efforts to promote and preserve minority-owned financial institutions by paying close attention to the agencies' progress in implementing the goals outlined in GAO's October 2006 report.

*Commercial Real Estate Guidance.* The Committee will review and monitor the federal banking regulatory agencies' implementation of the Commercial Real Estate Guidance issued by three of the four agencies. The Committee continues to be concerned over the lack of regulatory uniformity in this area. The Committee will examine whether there is a need to include participation by state supervisors. The Committee intends to monitor the agencies' application of the Guidance to ensure that the thresholds that were incorporated in the Guidance are not applied as arbitrary ceilings, but, instead, as indicators showing that further analysis is warranted.

*Access to Financial Services.* The Committee will continue to explore ways to expand access to mainstream financial services by traditionally underserved segments of the United States population, particularly those without any prior banking history (commonly referred to as the "unbanked"). One area of review will be developments in the rapidly expanding marketplace for international remittances services used by individuals seeking to send funds back to relatives in their countries of origin.

*Implementation of Gramm-Leach-Bliley Act.* The Committee will continue to monitor various aspects of the implementation of the Gramm-Leach-Bliley Act (GLB) to ensure that the benefits of that landmark financial modernization law are fully realized by consumers and the financial services sector. Included in the Committee's review will be regulatory interpretations of GLB's provision authorizing the Federal Reserve Board and the Treasury Department to define activities that are "financial in nature," and therefore permissible for financial holding companies and financial subsidiaries. The Committee will also review government and private sector implementation of the financial privacy requirements of Title V of GLB, including the process by which consumers are given notice and choice about how their financial information is used and disseminated by financial firms.

*Deposit Insurance Reform.* The Committee will monitor the implementation of the Deposit Insurance Reform Act of 2005 and the Fed-

eral Deposit Insurance Reform Conforming Amendments Act of 2005, to ensure that deposit insurance continues to serve its historic function as a source of stability in the banking system and a valued safety net for depositors.

*Credit Unions.* The Committee will review issues relating to the conversion policies and procedures, community reinvestment, safety and soundness and regulatory treatment of the credit union industry.

*Regulatory Burden Reduction.* The Committee will review the current regulatory burden on banks, thrifts, and credit unions with the goal of reducing unnecessary, duplicative, or overly burdensome regulations, consistent with consumer protection and safe and sound banking practices. The Committee's starting point will be the work done in the 109th Congress that resulted in passage of the "Financial Services Regulatory Relief Act of 2006" (Public Law 109-351), but which did not include a number of provisions included in the House-passed regulatory relief bill, H.R. 3505.

*Credit Card Regulation.* The Committee will continue its review of credit card industry practices, particularly relating to marketing, fees and disclosures. The Committee will monitor the Federal Reserve Board's review of the format and content of the disclosures required by the Truth in Lending Act related to open-end credit arrangements (such as credit card accounts).

*Remittances.* The Committee will review the marketing and disclosure practices of financial institutions and money transmitters who offer international remittance services to consumers seeking to send funds to relatives in other countries.

*Credit Counseling.* The Committee will review the credit counseling industry, which provides financial education and debt management services to consumers seeking to address excessive levels of personal indebtedness.

*Financial Literacy.* The Committee will continue its efforts to promote greater financial literacy and awareness among the public. As part of these efforts, the Committee will review the implementation of Title V of the FACT Act (Public Law 108-159), which authorized the creation of a Financial Literacy and Education Commission comprised of senior officials from a wide cross-section of government agencies.

*Community Development Financial Institutions Fund.* The Community Development Financial Institutions (CDFI) Fund was created in 1994 to promote economic revitalization and community development. The Committee will continue to oversee the Fund's operations, particularly its progress in implementing reforms to make the grantmaking process fair and transparent. In addition, the Committee will examine the contribution of the Fund to community development and

its measurement of the effect of its efforts in rural, urban, suburban, and Native American communities. The Committee will examine the extent to which demand for this program has increased, and whether authorization levels should be adjusted, and the effect that proposed Administration budget cuts would have on the Fund's ability to foster community development across the country. The Committee will also monitor the CDFI Fund's administration of the New Markets Tax Credits program, which was recently extended through 2008.

*Community Reinvestment Act.* The Committee will review the manner and efficacy of the financial services agencies in assuring compliance with the Community Reinvestment Act (CRA), including the degree to which the regulators are consistent in applying the regulations to all institutions. The Committee wants to ensure that CRA loans, services, and investments are efficiently directed to the low and moderate income communities, and will also examine how well institutions are complying with the revised CRA regulations that were recently adopted. The Committee will review the effect the revised regulations have had on institutions' lending, services, and investments in the communities in which they are located.

*Appraisals.* The Government Accountability Office in a 2003 study found that 69 percent of states need more staffing for appraisal industry oversight, and 40 percent needed more resources to support related litigation efforts. Since then, anecdotal media reports about appraisal fraud, lender pressure, and faulty appraisals have continued to grow. The Committee will examine these matters, the effectiveness of the Appraisal Subcommittee of the Federal Financial Institutions Examination Counsel in overseeing State-based appraisal enforcement and licensing programs, and the need for appraisal regulatory reform.

*Credit Monitoring.* The Committee will study the development of the credit monitoring industry and the need for enhancing the protection that consumers purchasing this service have.

## SECURITIES

*SEC Oversight.* The Committee will monitor the operations of the Securities and Exchange Commission (SEC) and the impact of efforts to improve the coordination, effectiveness, and efficiency of its functions, including with respect to its supervisory and inspection functions; its efforts to provide investors with improved access to financial data filed with the SEC; and its initiatives to reduce regulatory duplication and promote regulatory cooperation. The Committee will also review proposals to enhance the functions of the SEC and for greater consolidation of domestic market regulation.



*Sarbanes-Oxley Act.* The Committee will continue to monitor the impact of the Sarbanes-Oxley Act on investors, public companies, and markets, particularly with respect to the efforts of the SEC and Public Company Accounting Oversight Board (PCAOB) to improve the efficiency of implementation of the internal control requirements under section 404 of that Act, the impact of the Act's corporate governance reforms, and the adequacy of investor protections provided by the Act generally.

*Public Company Accounting Oversight Board (PCAOB).* The Committee will review the PCAOB's oversight of public company auditors, including reforms of auditing standards and the results of the PCAOB's inspection program.

*Financial Accounting Standards Board (FASB).* The Committee will review the work of the FASB to improve financial accounting standards, including progress on efforts to reach convergence with the International Accounting Standards Board on accounting standards, continued consideration of the appropriate form for standards, and the implications of increased incorporation of market valuations under accounting standards.

*Convergence of International Accounting Standards.* The Committee will review progress on efforts to converge generally accepted accounting practices in the United States and International Accounting Standards and toward acceptance of financial reports using the converged standards in the US and abroad.

*Corporate Governance.* The Committee will review developments and issues concerning corporate governance in public companies, including proposals to increase accountability to shareholders through enhanced shareholder access to management's proxy, shareholder nomination of directors, and majority voting. The Committee also will review issues raised with respect to the integrity of the shareholder voting process.

*Executive Compensation.* The Committee will review the SEC's recent regulation requiring greater transparency in disclosures of executive compensation arrangements, and consider legislative proposals to increase accountability to shareholders in public companies and empower shareholders to rein in executive pay where they deem appropriate. The Committee also may explore other current executive compensation and disclosure issues, including back-dating of stock options.

*Market Structure.* The committee will monitor the implementation of the SEC's revised rules governing the National Market System, including Regulation NMS, and the implications of those changes for securities markets and investors. The Committee also will monitor

developments in exchange governance and the growth and innovation of exchange trading systems, competition among the numerous exchange and alternative trading venues, exchange mergers, market data distribution and fees, and other developments in the securities and options markets, such as penny pricing of options contracts, portfolio margining, the growth of Exchange Traded Funds (ETFs), and the use of practices like payment for order flow.

*International Exchange Mergers.* The Committee will monitor the impact of cross-border exchange mergers in the securities and related markets, as well as implications for the continued oversight of combined organizations by national authorities.

*SRO Regulation.* The Committee will review the effectiveness of self-regulatory organizations in the securities markets and assess the impact of proposed mergers of the regulatory functions on the securities markets, market participants, and investors, including the impact of harmonization of rules and arbitration systems.

*Securities Arbitration.* The Committee will examine the impact of mandatory arbitration requirements on securities investors, as well as the balance, fairness, and efficiency of the current arbitration system.

*Investment Companies.* The Committee will review the current state of regulation of investment companies and their advisors with respect to mutual fund operations, governance, disclosure, and sales, including the impact on investors of recent rule changes and court decisions. The Committee also will review the effectiveness and efficiency of the approval process for new products, such as exchange-traded funds.

*Hedge Funds.* The Committee will examine the current state of the hedge fund markets to assess the impact of their growth, scope of activities, and prominence in financial markets. The Committee will review the potential impact of hedge funds activities on markets, investors, financial intermediaries, and companies.

*Global Competitiveness of U.S. Financial Markets.* The Committee will examine recent data and studies concerning the competitive position of the U.S. financial markets and exchanges. The Committee also will assess proposals to enhance the competitiveness of U.S. markets, including those to streamline regulation of U.S. financial markets and institutions and to consolidate oversight of exchanges in a single regulator, as well as proposed corporate governance and litigation reform.

*Federal/State Allocation of Enforcement Responsibilities.* The Committee will examine the impact of several pieces of legislation over the last decade streamlining securities registration and regulation and allocating responsibilities between state and federal authorities. In particular, the Committee will examine the impact of this legislation on the enforcement of the securities laws and whether loopholes have

been created that permit fraudulent securities offerings to escape either Federal or State law enforcement.

*Rating Agency Reform.* The Committee will monitor the SEC's implementation of legislation to improve oversight of securities rating agencies.

*Business Continuity Planning.* The Committee will monitor the implementation of the Interagency Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial System as well as the related efforts of all participants in the securities industry to improve business continuity planning to protect investors against the effects of natural disasters, terrorism events, and pandemics. The Committee will also review the impact of global mergers and alliances and their impact on business continuity planning.

*SIPC.* The Committee will examine the operations, initiatives and activities of the Securities Investor Protection Corporation (SIPC) and possible opportunities to better protect investors.

*Fair Fund.* The Committee will examine the success of Federal regulators in implementing the Fair Fund provision established under the Sarbanes-Oxley Act to distribute civil fines and ill-gotten gains from corporate wrongdoers to defrauded investors. The Committee will review options for improving the operations of the Fair Fund.

## GOVERNMENT SPONSORED ENTERPRISES

*Regulatory Reform.* The Committee will continue efforts to improve the regulatory structure of the housing-related government sponsored enterprises (GSEs), including Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (FHLBs). The Committee will consider proposals to consolidate GSE supervision under an independent regulator with enhanced supervisory and enforcement powers similar to those of the bank regulatory agencies.

*GSEs and Financial Disclosure.* The Committee will review the progress of the financial restatements by Freddie Mac, Fannie Mae, and some FHLBs. The Committee also will review the status and results of registration with the SEC by the GSEs.

*Federal Home Loan Bank System.* The Committee will monitor the Federal Home Loan Bank system's ability to fulfill its housing mission and provide liquidity to member banks in a safe and sound manner. The Committee will also monitor the various regulatory initiatives undertaken by the Federal Housing Finance Board (FHFB) to alter the capital requirements of the Federal Home Loan Banks.

*Farm Credit System.* The Committee will examine recent proposals to expand the scope of permissible activities for institutions that are part of the Farm Credit System and the implications for local communities and financial institutions.

*Board Director Appointments.* The Committee will monitor the progress of the FHFB in fulfilling its statutory obligation to appoint directors to the boards on each of the FHLBs.

*FHLB Community and Economic Development.* The Committee will focus on the efforts to advance community and economic development within the FHLB system, including the implementation of the enhanced targeted economic development lending for small business, small farms, and small agri-businesses allowed under the Gramm-Leach-Bliley Act and of the performance of the FHLBs in implementing the FHFB's community investment cash advance regulation.

*REFCorp Payments.* The Committee will monitor the efforts of the housing GSEs to pay the obligations of the Resolution Funding Corporation (REFCorp) established to cover the costs of resolving the savings-and-loan crisis and the policy implications for the GSEs upon the satisfaction of the remaining REFCorp debts.

## HOUSING

*Federal Housing Response to Hurricane Katrina.* The Committee will conduct a hearing or series of hearings on the housing reconstruction needs created by Hurricane Katrina, including the availability of affordable housing for low-income families, the impact of Katrina on public and assisted housing, and the impact of communities experiencing an influx of persons from the Gulf Coast after Hurricane Katrina hit. In addition, the Committee will examine the role of government in long-term housing, as well as economic and infrastructure recovery of the Gulf Coast region and the ability of homeowners to rebuild, including the availability of homeowner's insurance. The Committee will also be reviewing potential funding sources for the production, repair, and reconstruction of affordable housing in areas affected by Katrina, including funding that could be made available through a GSE Affordable Housing Fund.

*FY 2008 Budget for the Department of Housing and Urban Development, the Rural Housing Service, the Neighborhood Reinvestment Corporation and the National Flood Insurance Program.* The Committee will conduct a hearing or hearings to consider Administration FY 2008 budget proposals for these agencies and programs, including receiving testimony from relevant agencies.

*Housing Production.* The Committee may conduct a hearing or series of hearings on proposals to create a National Housing Trust Fund, possible funding mechanisms for this fund, and how both non-profit and for-profit organizations can participate in production programs. Issues to be considered include the extent to which the existing housing stock meets the demand for affordable housing by low-income families, seniors, and disabled persons; a review of federal housing programs which can be used in the construction or substantial rehabilitation of affordable housing units; and strategies for developing additional affordable housing units.

*Housing Tax Credit Programs.* The Committee may conduct a hearing or series of hearings on legislative and administrative proposals to provide for better coordination between the Low Income Housing Tax Credit Program and Federal housing programs under the Department of Housing and Urban Development and the Rural Housing Service which are used in conjunction with housing tax credits.

*Housing Preservation.* The Committee will hold hearings on the importance of preserving federally assisted housing, including the challenge of maintaining housing affordability for those federally assisted properties scheduled to experience mortgage maturities in the next decade. The Committee will review HUD's policies and performance in approving proposals by owners to preserve and rehabilitate older assisted housing projects. The Committee may also explore other related topics, such as prepayment policies, troubled projects, renewal of expiring project-based voucher contracts and transfer of project-based section 8 contracts. The Committee may conduct a hearing, or series of hearings, on the transition of the Mark to Market program from the Office of Multi-family Housing and Restructuring to the new Office of Affordable Housing Preservation (OAHP) and on efforts by the OAHP to provide assistance to affordable housing areas in the oversight and preservation of affordable housing programs. The Committee may conduct a hearing, or series of hearings, on HUD's property disposition program, and on the extent to which HUD has worked with local housing authorities and non-profit organizations to preserve the affordability of HUD's inventory of multi-family housing following foreclosure by the borrower. Further, the Committee will review the circumstances by which current owners choose to leave the program and how incentives can be used, coupled with a reduced regulatory burden, to encourage continued participation by the private sector.

*Public Housing.* The Committee will review the state of public housing programs, including the impact of cuts to the public housing operating and capital funds and to the HOPE VI program, and the impact of the elimination of the Drug Elimination Program. The Com-

mittee also will review HUD's implementation of the Quality Housing Work Responsibility Act of 1998 (QHWRA), including the impact that conversion to asset-based management is having on public housing agencies in light of severe funding shortfalls for the public housing operating and capital fund programs; the Community Service requirement; the performance to date of Moving to Work agencies; and areas where unnecessary regulation could be curtailed, while fully maintaining protections for tenants. In particular, the Committee notes that QHWRA provided flexibility to the public housing authorities in managing public housing developments and programs while at the same time targeting housing to low income families, and the Committee will review which provisions from this 1998 act still have not been implemented by HUD.

*HOPE VI.* The Committee will review the HOPE VI program, including the need for reauthorization, the impact of funding cuts on the ability of the program to meet the needs of distressed public housing developments, the benefits of mixed-use communities, and the implementation of Mainstreet Partnership. The Committee will review the progress by past HOPE VI award recipients of implementing and completing their revitalization plans, including the amount of funds that remain unspent in some HOPE VI accounts.

*Section 8 Housing Choice Voucher Program.* The Committee will conduct a hearing or hearings on the Housing Choice Voucher Program. Such review may include consideration of legislation to reform the voucher funding formula, and to streamline the current voucher rent and inspection rules. The Committee will examine the adequacy and effectiveness of the voucher program in addressing the needs of low-income people. As part of this review, the Committee will examine the impact of high concentrations of tenant households on low- and middle-income communities that may already have high concentrations of low-income residents and solutions such as mixed-use communities and transitioning to homeownership.

*Federal Housing Administration (FHA).* The Committee will conduct hearings on the FHA single family loan program, including the causes and impact of the declining market share of the FHA program in relation to the overall mortgage market, the appropriate level of FHA loan limits in high-cost areas, the level of default and foreclosure rates, loss mitigation efforts, and program administration issues. In addition, the Committee will review the extent to which modernization of the FHA single-family program may address declining market share. The Committee will review legislation to authorize FHA to insure single family zero down payment loans and loans to borrowers with higher credit risk than FHA currently serves. The Committee

will also review other FHA loan programs, including multi-family housing loans, manufactured housing loans, reverse mortgage loans (HECMs), and hospital and health care loans.

*Downpayment Assistance.* The Committee may review the American Dream Downpayment Program, as it sunsets at the end of 2007, to examine its record in moving low-income families to homeownership.

*Rural Housing Service (RHS).* The Committee will conduct hearings to consider legislation to create a revitalization program at the Rural Housing Service to preserve and rehabilitate affordable housing under the Section 514, 515, and 516 multifamily housing programs.

*HUD Mission, Management Reform and Staffing.* The Committee will review the overall mission, organization, human resources and information technology capabilities of the Department of Housing and Urban Development to determine whether the Department is meeting and addressing housing issues in the most efficient manner.

*Project-Based Section 8 Program.* The Committee will review the GAO's findings regarding the timeliness of Housing Assistance Payments (HAP) for project-based Section 8 properties. In addition, the Committee will review HUD's policy on the renewal of expiring project-based Section 8 contracts as well as expiring project-based Section 8 certificates.

*Limited English Proficiency.* The Committee will also review the Department of Housing and Urban Development's final guidance on Limited English Proficiency, published pursuant to Executive Order 13166.

*Section 202 Elderly and Section 811 Disabled Housing.* The Committee may hold a hearing on the Section 202 and 811 supportive housing programs for the elderly and disabled, including proposals to preserve the existing housing stock of 202 and 811 projects and to increase refinancing flexibility for such projects to carry out needed rehabilitation of older properties.

*Community Development Block Grant (CDBG) Program.* The Committee will hold a hearing on the mission and objectives of CDBG funding and other HUD community development programs, including HUD implementation of these programs.

*Homelessness.* The Committee will review the McKinney-Vento homeless assistance program, including the implications of data provided by HUD's Homeless Management Information Strategies (HMIS) nationwide homeless count.

*Oversight of Federal Housing Programs.* The Committee may hold oversight hearings on other Federal housing programs run by the Department of Housing and Urban Development and the Rural Housing Services.

*National Flood Insurance Program.* The Committee will conduct a hearing to consider legislation to reform the National Flood Insurance Program. The Committee will continue to monitor the National Flood Insurance Program's policy sales, premium use, claims handling practices, mandatory purchase requirements, and subsidization of repetitive loss on nonresidential, vacation, and second home properties. In addition, the Committee will continue its review of the implementation of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (P.L. 108-264).

*Colonias.* The Committee will review all the programs under the jurisdiction of the Subcommittee on Housing and Community Opportunity to assess the private and public sector response to housing and community development in the Colonias. The Colonias are generally identifiable communities in the U.S.-Mexico border regions (150 miles of the U.S.-Mexico border excluding Metropolitan Statistical Areas with populations exceeding one million) of Arizona, California, New Mexico, and Texas that are determined to be colonias on the basis of objective criteria, including lack of a potable water supply, inadequate sewage systems, and a shortage of decent, safe, and sanitary housing.

*Native American Housing Programs.* The Committee will conduct hearings to consider legislation to reauthorize the Native American Housing Assistance Self Determination Act. The Committee will also continue to examine land title issues on Indian lands in connection with home ownership.

*Mortgage Foreclosures.* The Committee may hold a hearing on the issue of home mortgage foreclosures, and the impact on borrowers of such foreclosures.

*Housing Counseling.* The Committee will review current housing counseling programs, to determine whether current funding levels are adequate to meet need, and whether improvements could be made to enhance consumer education as well as prevent abusive lending practices. This review will encompass Federal, State, private and non-profit efforts to use homeownership counseling as a tool to prevent defaults and foreclosures in the mortgage markets.

*Fair Housing.* The Committee will review fair housing enforcement, including the adequacy of resources and staffing levels, and the National Fair Housing Training Academy.

*Mortgage Finance Reform/Real Estate Settlement Procedures Act.* The Committee may review issues related to the Real Estate Settlement Procedures Act (RESPA), including a Government Accountability Office report regarding the title insurance industry that is due this year.



*Escrows.* The Committee will generally explore problems related to establishing and servicing escrow accounts. This examination will also focus on the need to advance Federal reforms to require escrow accounts for those homeowners with less-than-perfect credit scores or high-cost mortgages.

*Mortgage Broker Licensing and Oversight.* The Committee will explore ongoing State efforts to improve mortgage broker licensing and oversight, as well as proposed Federal solutions in this area to better protect homebuyers.

## INSURANCE

*Terrorism Risk Insurance.* If not extended, the Terrorism Risk Insurance Program established under the Terrorism Risk Insurance Act of 2002 (Public Law 107-297), as amended by the Terrorism Risk Insurance Extension Act of 2005 (Public Law 109-144), will expire on December 31, 2007. In order to ensure the continued availability of terrorism insurance coverage and protect the economic security of the United States, the Committee will work to extend the program and make needed changes to the Act.

*Sales of Insurance and Securities Products to Servicemembers.* In response to abuses in the marketing and sale of securities and life insurance products to servicemembers, the 109<sup>th</sup> Congress enacted the Military Personnel Financial Services Protection Act (Public Law 109-290). The Act requires or requests a variety of actions and reports by various agencies and entities, including the Securities and Exchange Commission, the Department of Defense, the Inspector General of the Department of Defense, State insurance and securities regulators, and the National Association of Insurance Commissioners (NAIC). The Committee will monitor implementation of the Act and review these pending reports and actions.

*Regulatory Modernization.* For more than 130 years, the States have had the primary responsibility for regulating the business of insurance, and in recent years many industry participants have called on policymakers to modernize and improve insurance regulation to reflect the realities of the 21<sup>st</sup> Century. Potential policy options to improve the efficiency and effectiveness of the insurance regulatory system include establishing an optional Federal charter for insurers, promoting greater State uniformity in insurance regulation via Federal legislation, and advancing by the NAIC of a coordinated State regulatory modernization effort. The Committee will continue to evaluate these policy alternatives.

*Agent and Broker Licensing Reform.* As part of the Gramm-Leach-Bliley Act (Public Law 106-102), Congress sought to establish greater reciprocity or uniformity thresholds for non-resident producer licensing. Since then, many States have made considerable progress in streamlining their licensing systems. Nevertheless, the Committee will review the progress of the States in passing and implementing uniformity and reciprocity reforms for insurance agent and broker licensing. The Committee will also evaluate what other measures might help to promote even greater uniformity and reciprocity while still assuring sufficient consumer protections.

*Life Insurance Product Approval.* The current State-by-State system for approving new life insurance products has resulted in economic inefficiencies and delays in bringing life insurance products to market. In order to fix this problem, the Interstate Insurance Product Regulation Commission was established to streamline such reviews. The Commission expects to begin accepting product filings for new life insurance products in early 2007. The Committee will assess the effectiveness of this State-led effort to achieve appropriate levels of uniformity and promote efficiency in the process of approving new life insurance products.

*Insurance Consumer Protections.* Consumer advocates have raised concerns about the practice of recording consumer inquiries as part of consumer claim records. They have also identified a number of problematic insurance marketing practices like misleading sales and marketing representations, the churning of life insurance policies, coercion and pressure tactics, and product bundling. The Committee will examine the systems established by the States to protect consumers from such practices.

*Credit Scoring and Insurance.* The U.S. Supreme Court has under consideration in its current term several consolidated cases involving when insurers need to inform individuals about adverse information contained in their credit reports that affects their premiums. The Committee will examine the forthcoming decision.

*Discrimination in Insurance.* Section 215 of the Fair and Accurate Credit Transactions Act (Public Law 108-159) requires the Federal Trade Commission and the Federal Reserve, in consultation with the Office of Fair Housing and Equal Opportunity of the Department of Housing and Urban Development, to study and report to Congress on the effects of credit scores and credit-based insurance scores on the availability and affordability of financial products. The Committee will review this study. The Committee will also monitor the effects of other insurance companies' underwriting and rating practices and policies to assess whether they unfairly decrease the availability and

affordability of insurance coverage in certain geographical areas, particularly those that contain higher concentrations of racial and ethnic minority groups.

*Availability of Natural Disaster Insurance.* In light of recent withdrawals from some insurance markets like those along the Gulf Coast and the Northeast Corridor, the Committee will review the general availability of insurance across the United States. This review will focus on availability and affordability of natural disaster insurance for homeowners and businesses, and the effects the 2005 hurricane season had on the insurance marketplace. The Committee will also explore existing programs in foreign countries and the States for providing insurance or reinsurance for natural catastrophes. The Committee will also examine policy proposals for addressing market failures, including the potential to create an all-perils policy.

*Uninsured Disaster Losses.* Natural disasters often impose uninsured financial costs on individuals, private insurers, and Federal, State and local governments. The Committee will therefore study how those at-risk are informed of the availability of federal programs and private insurance coverage, and how well individuals, businesses, and local governments understand the risks they assume for uninsured disaster losses as a result of their choices. The Committee will also examine the extent to which risks are shared between government programs and private insurance and the extent to which the two cover disaster losses.

*Mega-Catastrophes.* While the property and casualty insurance industry has absorbed the costliest insured event in U.S. history – Hurricane Katrina in 2005 – without any systemic failure, many experts have begun to debate whether insurers and their reinsurance partners have the financial capacity to absorb losses from even larger or multiple “mega-catastrophes” that may occur in the future as the result of global warming or other factors. The Committee will examine whether sufficient insurance and reinsurance capital exists to handle a mega-catastrophe and, if necessary, what prudent reforms would improve insurers’ access to capital in order to ensure adequate capacity in and solvency of the industry and to meet consumer needs.

*Katrina Claims.* After Hurricane Katrina, many consumers experienced frustration in the processing of their claims, in terms of the timeliness and payments attributable to wind or water damage. The Committee will examine the claims-paying process used by private insurance companies and the need for possible reforms.

*Surplus Lines and Reinsurance.* In the 109<sup>th</sup> Congress, the House passed H.R. 5637, the Nonadmitted and Reinsurance Reform Act of 2006. To promote greater efficiency in the surplus lines and reinsur-

ance marketplaces used by large and sophisticated entities to obtain coverage against losses, the Committee will continue its review of these matters.

*Guarantee Funds.* To protect policyholders in the event of an insolvency of an insurer, the States have in place a system of guarantee funds. The Committee will continue to monitor this system.

*Viaticals and Life Settlements.* During the 1980s, the viaticals industry emerged as the AIDS epidemic took hold. More recently, a life settlement industry has developed to allow those who are not dying a chance to sell their life insurance policies for lump sum payments. The Committee will continue to monitor the evolution of these marketplaces. The Committee will also examine the efforts of State and Federal regulators to decrease the potential fraud and abuse in them, but also protect the interests of policyholders.

*Retirement Products.* With the tremendous growth of personally controlled retirement savings over the last two decades and the coming wave of retirements of the Baby Boom generation, individuals will need to insure that their savings last throughout their retirements rather than relying heavily on former employers to manage pension assets and provide stable payments. The Committee will monitor the response of the insurance industry to these developments. The Committee's focus may include an examination of hybrid annuity instruments that incorporate features of insurance, securities and banking products. The Committee will explore the ability of financial regulators to adequately protect consumers of such annuity products and whether any gaps in functional oversight exist.

*Business Continuity Planning.* Business continuity planning has become a focus for all participants in the financial industry, including insurers, in light of terrorist attacks, large-scale natural disasters like Hurricane Katrina, and potential pandemics like avian flu. The Committee will continue to examine the ability of the insurance industry, State insurance regulators, the NAIC, and other interested parties to protect against potential disruptions in the insurance marketplace.

*Insurance Investments.* The long-term nature of many insurance investments makes the industry a source of alternative funding for community improvements and large-scale infrastructure projects. In Massachusetts, two specifically created pools – one for property-and-casualty insurers and one for life insurers – already work to help fund the development of affordable housing, commercial and industrial real estate, small business, and other community projects. The Committee may examine ways to facilitate the ability of insurance companies to invest in the areas in which they conduct business or that need assistance.

*Insurance Intermediaries Practices.* During the past two years, a number of cases of bid-rigging and kickbacks between insurance brokers and insurers have come to light. While the States have largely settled these investigations, the Committee may examine the extent to which the States have been unsuccessful in addressing and resolving the problems and in providing redress to insurance purchasers harmed by the practices.

*Risk Retention Groups.* Two decades have now passed since Congress enacted the Risk Retention Act of 1981 and its 1986 amendments. The Committee may review the regulatory structure created by these laws to identify any potential problems resulting from the Act's partial preemption of State insurance law, assess the Act's effectiveness, and determine whether additional refinements to the Act could benefit insurance consumers.

*Reinsurance.* Reinsurance is a tool that helps insurers to manage risk, but the insurance industry, particularly after large-scale disasters, sometimes experiences supply contractions and steep increases in reinsurance premiums. The Committee will study the present ability of insurers to obtain reinsurance in the United States and the ways in which to enhance its availability.

*International Developments.* The business of insurance is no longer local or even national. The capital pools provided by the reinsurance industry and the adoption of international trade agreements have made the insurance industry a global one. The Committee may explore how the current State-by-State insurance regulatory system fits into this evolving global marketplace.

*Insurance Information.* After the September 11, 2001 terrorist attacks and Hurricane Katrina, many noted that the Federal government lacked an in-house resource for obtaining information about the insurance industry. A centralized insurance informational resource center within the Federal government could help to better coordinate responses after disasters, enhance international discussions on insurance issues, and provide expert advice to both Congress and Federal financial regulators on issues affecting the insurance industry. The Committee may explore the options for improving the access of Federal policymakers to insurance information.

## INTERNATIONAL FINANCE

*Annual Report and Testimony by the Secretary of the Treasury on the State of the International Financial System and International Mone-*

*tary Fund Reform.* The Committee will review and assess the annual report to Congress from the Secretary of the Treasury on the state of the international financial system and the International Monetary Fund (IMF). Pursuant to section 613 of Public Law 105-277, the Committee will hear annual testimony from the Secretary of the Treasury on the contents of this report, as well as on matters relating to the international financial institutions and international economic issues generally. The Committee will also conduct oversight of U.S. participation in the reform efforts currently being considered by the IMF's management and board, including changes to the IMF's voting shares, lending arrangements, lending conditionality, and country surveillance activities. Should any reforms that are approved by the IMF's board require a change in the institution's charter, the Committee will be prepared to consider any necessary authorizing legislation.

*U.S.-E.U. Financial Sector Issues.* The Committee will continue to monitor the progress of the European Union to build a unified financial services market, including implementation of revisions to corporate governance standards, adoption of International Accounting Standards, oversight of financial conglomerates and other regulatory structures. The Committee also will monitor assessments of regulatory equivalency in the U.S. and E.U., as well as developments in the allocation of home and host state responsibilities in connection with organizations and activities that cross jurisdictions.

*U.S. Oversight over the International Financial Institutions (IFIs).* The Committee will review U.S. participation in, and the effectiveness of U.S. policy toward, the International Monetary Fund (IMF), the World Bank Group, and the regional Multilateral Development Banks (MDBs). The Committee will consider the findings of the Independent Evaluation Group's 2006 "Annual Review of Development Effectiveness" of World Bank programs. The Committee will examine how some growth strategies appear more effective at reducing poverty than others and assess the degree to which economic growth has translated into sustained poverty reduction in Bank-assisted countries. The Committee will also look at how increasing income inequality has been shown to undermine the poverty-reducing effect of growth in a number of countries.

The Committee will hold hearings to evaluate the role and effectiveness of the multilateral development institutions in helping to reduce poverty and foster growth in Africa, Latin America, and in other poor regions in the world. The committee will examine the role of trade and investment in promoting growth and reducing poverty in Africa and elsewhere, with particular attention to how the distribution of the gains of economic growth within a country are essential to sustainable

growth. The Committee will monitor any effort by institutions to fund projects with further sales of gold reserves.

*Replenishment of the International Development Association (IDA).* The Committee will consider legislation to authorize funds for the 15<sup>th</sup> replenishment of IDA, the concessional lending window of the International Bank for Reconstruction and Development. Special attention will be given to degree to which previous congressionally mandated reforms to improve transparency and improve anti-corruption measures at the IFIs have been adopted.

*The African Development Bank (AfDB) and the African Development Fund (AfDF).* The Committee will monitor and conduct necessary oversight activities with respect to continued U.S. support for these regional African development institutions that focus on promoting sustainable economic growth and poverty reduction in Africa.

*International Debt Relief.* The Committee will monitor and conduct necessary oversight activities regarding the Multilateral Debt Relief Initiative (MDRI) proposed by the G8 finance minister in 2005 and formally adopted in 2006. The MDRI provides 100% debt relief to select countries that are already participating in the joint-IMF/World Bank Heavily Indebted Poor Countries (HIPC) program. Under the initiative, all pre-existing IMF, World Bank, and African Development Bank (AfDB) debt will be cancelled for any country that completes the HIPC program. The IMF will internally fund its debt relief in part with the money it obtained from the sale of some IMF gold in the late 1990s, while the World Bank and AfDB will be compensated by G8 donors. In March 2006, donors agreed to a financing package for the MDRI that stipulates additional donor contributions over time to ensure delivery of fresh resources for poverty reduction for the World Bank and the AfDB.

Last fall, the Board of Governors on the Inter-American Development Bank (IDB) announced that it would cancel the debts of five impoverished countries in Latin America. The Committee will closely monitor the implementation, scope and duration of this debt cancellation program.

*Millennium Challenge Corporation (MCC).* The Committee will continue to monitor the participation of the Secretary of the Treasury as a member of the board of the MCC. The MCC is designed to help developing nations improve their economies and standards of living by allocating bilateral development assistance based on specific criteria designed to measure progress in recipient countries' ability to allocate resources in support of good governance, investment in health and education, and economic policies that foster economic freedom.

*Counter-terrorism Financing Policy.* The Committee will continue to monitor the role of the Treasury Department in promoting the adoption and implementation of counter-terrorism standards around the world through the Financial Action Task Force (FATF), the IMF, and the MDBs as well as the evolution of the standards themselves as promulgated by FATF. The Committee will also monitor the Office of Technical Assistance at Treasury, its coordination with the other agencies in the Terrorist Financing Working Group and its assessment and alignment of resources in the delivery of counter-terrorism financing training and technical assistance abroad.

*Global Fund to Fight AIDS, Tuberculosis and Malaria.* The Committee will continue to monitor the role of the World Bank as non-voting board member and trustee of the Global Fund to Fight AIDS, Tuberculosis and Malaria in addition to assessing the status of the World Bank's programs to reduce HIV/AIDS in developing countries.

*Exchange Rates.* The Committee will review and assess the semi-annual report to Congress from the Secretary of the Treasury on International Economic and Exchange Rate Policies pursuant to the Omnibus Trade and Competitiveness Act of 1988. The Committee will monitor developments related to the exchange rate policies of the United States' major trading partners and will pay particular attention to the policies of countries that seek to maintain a fixed exchange rate for their currencies. The Committee will assess the effects of these currency practices on the competitiveness of U.S. firms and on the stability of the international financial system.

*Global capital flows.* The Committee will monitor the effects of the flow of capital globally, and in particular, trends in foreign countries' investments of their large currency reserves in the United States and other countries. The Committee will assess the effects of the investment of these reserves on global financial stability and on multilateral policy initiatives. The Committee will also assess U.S. and multilateral policies on the regulation of capital flows.

*Committee on Foreign Investment in the United States.* The Committee will act on legislation to reform the process by which foreign investments into the United States are assessed for their national security implications through the interagency Committee on Foreign Investment in the United States (CFIUS). The Committee will closely monitor CFIUS actions to seek to ensure that foreign investments that pose legitimate threats to national security are either rejected or the threats are effectively mitigated. The Committee will also monitor the extent to which the United States maintains a policy of openness to-



ward foreign investment, so that investments that pose no threat to national security are able to go forward.

*Trade in Financial Services.* The Chairman and the Ranking Member of the Committee continue to serve on the Congressional Oversight Group on Trade, pursuant to the Trade Promotion Authority Act (Public Law 107-210). In this capacity, the Committee will remain active in the oversight of trade negotiations and will consult regularly with the United States Trade Representative on matters within the jurisdiction of the Committee, including the financial services and investment provisions of bilateral and regional trade agreements, as well the financial services elements of multilateral trade negotiations and actions within the World Trade Organization. The Committee will also monitor the progress of the United States' trading partners in meeting their financial services and investment commitments under existing trade and investment agreements.

*Export-Import Bank of the United States.* The Committee will monitor implementation of the Export-Import Bank Reauthorization Act of 2006 (Public Law 109-438), with particular emphasis on the new mandates in the law regarding export assistance for small businesses, and women and minority-owned businesses. The Committee will also closely monitor the Bank's competitiveness relative to foreign export credit agencies (ECAs), with particular attention to competitiveness with the export credit practices of countries that are not members of the Organization for Economic Co-operation and Development.

*North American Development Bank.* The Committee will monitor and conduct necessary oversight activities over U.S. participation in the North American Development Bank (NADBank) and the status of U.S. efforts to implement reforms at the Bank.

## THE ECONOMY, DOMESTIC MONETARY POLICY, AND TECHNOLOGY

*The Economy and Its Impact on Living Standards.* The Committee will examine the extent to which changes in the economy, and in particular changes in labor and capital markets, as well as changes in public policy, have altered the way in which policymakers should think about the relationship between economic growth, productivity growth, and growth in employment and incomes. The Committee will examine these relationships in an effort to determine policy responses that will increase our ability to improve the standard of living for American families.

*Conduct of Monetary Policy by the Board of Governors of the Federal Reserve System.* The Committee will hold hearings to receive the Chairman of the Board of Governors of the Federal Reserve System's semi-annual reports on the conduct of monetary policy. As part of this effort, the Committee will review issues associated with monetary policy and the state of the economy, including whether the current path of monetary policy is consistent with the triple goals -- maximum employment, stable prices, and moderate long-term interest rates -- set forth in the Federal Reserve Reform Act of 1977 (P.L. 95-188). The Committee will continue to monitor the Federal Reserve Board to see if ways can be found to make its activities more transparent, consistent with the increased transparency the institution has shown over the past decade and a half.

*Management of Reform of the Federal Reserve System.* The Committee will conduct oversight of the operations of the Federal Reserve System, including the System's management structure, its role in providing financial services, its conduct of monetary policy, and its role as a regulator with particular attention to compliance with anti-money laundering and anti-terrorist financing laws and regulations.

*Defense Production Act.* The Committee will review the Defense Production Act and its authorities to determine their effectiveness in promoting national security. The Committee will consider reauthorization of the DPA authorities prior to their expiration in 2008.

*Oversight of Agency Management Practices and Outcomes.* The Committee will conduct oversight of the operations of all agencies under its jurisdiction to ensure disclosure of all material assets, liabilities, and costs of operations; to review agencies' measures taken to minimize waste and inefficiency; assess the impacts of agency actions on the financial services industry; and determine if the agencies are operating at the most efficient level of resources. The Committee will require the Federal regulators to report on the state of the financial services industry in order to alert Congress to any emerging weaknesses and supervisory measures being taken to counter such weaknesses. The Committee will review, for appropriate action, expired and expiring authorizations relating to the agencies.

*Management of the Nation's Money: Activities of the Bureau of the Mint and the Bureau of Engraving and Printing.* The Committee will conduct oversight, as appropriate, of the activities of these Treasury bureaus as they relate to the printing and minting of U.S. currency and coins, and of the operation of U.S. Mint programs for producing Congressionally authorized commemorative coins and Congressional gold medals. The Committee also will monitor the Mint's first year of

operation of the Presidential \$1 Coin Act, and how well the Mint and Federal Reserve gauge and meet consumer demand for the new coins.

*Payments System Innovations.* The Committee will review government and private sector efforts to achieve greater innovations and efficiencies in the payments system. The Committee will pay particular attention to efficiencies that could be created for business through enhancements of the types and amounts of information that accompanies electronic payments. The Committee will continue to assess the implications of new innovations in electronic money and electronic payment systems. Among the issues the Committee may examine are soundness, security, privacy, access to new electronic payment methods, eligibility criteria for issuing new payment methods, competing government regulation, threats posed to critical infrastructures such as the payments system, and new-technology methods of authenticating transactions and minimizing fraud.

*Counterfeiting.* The Committee will continue its review of efforts to detect and combat the counterfeiting of U.S. coins and currency in the United States and abroad. Particular attention will be paid to anti-counterfeiting efforts by the United States Secret Service and to ways those efforts can be made more effective.

*The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN):* The Committee will continue to oversee the operations of FinCEN and the Bureau's ongoing efforts to implement its regulatory mandates pursuant to the Bank Secrecy Act (BSA), as amended, to crack down on money laundering and terrorist financing activities. The Committee will monitor FinCEN's implementation of the BSA Direct program to allow secure Internet filing of forms by and notification of institutions as required by law. The Committee will oversee FinCEN's efforts to implement a statutory provision in section 6302 of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458), that required the Treasury Secretary issue regulations requiring financial institutions to report certain cross-border electronic transfers to FinCEN.

*Critical Infrastructure Protection and Cyber-security.* The Committee will monitor private-sector and government-wide efforts to protect critical financial infrastructure, both physical structures and the infrastructure that support them — such as power, transportation systems — as well as telecommunications and computer systems that enable the functioning of our financial institutions and of the markets. The Committee will monitor interagency coordination on protection issues as well as threat assessment.

*Treasury's Office of Foreign Asset Control (OFAC).* The Committee will continue to monitor the functions of OFAC as its workload in-

creases, and study ways of improving its working relationship with financial institutions.

*Economic Security.* The Committee will explore the need for Federal economic and financial regulators to prepare for and provide a coordinated response to economic events that could threaten the Nation's economic security.

*Development of Economic Opportunities.* The Committee will review, when appropriate, economic development programs under the Committee's jurisdiction, including programs administered by the Appalachian Regional Commission, the Economic Development Administration (EDA), the Delta Regional Authority. Reauthorization will be considered when appropriate. Existing law authorizes the EDA through fiscal year 2008. As part of the next EDA reauthorization process, the Committee intends to assert its jurisdiction over this agency and review the agency's work.